

Publicity Rights and the First Amendment: Balancing Athletes and Other Celebrity Interests

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Introduction

Right of publicity jurisprudence presently constitutes one of the most volatile areas of intellectual property law. Although publicity rights have been recognized by courts for decades, in recent years, advances in digital information technology and other technological developments have spurred variegated litigation disputes through which parties seek to delineate the parameters of these rights. This outline summarizes the history and development of the right of publicity, as well as the leading and recent court decisions which continue to clarify this highly unsettled field of intellectual property protection.

Publicity Rights: Common Law History and Development

The origins of the right of publicity can be traced to the landmark law review article published by Samuel D. Warren and Louis D. Brandeis, who defied prevailing convention and called for judicial recognition of “a right to be let alone.”¹ Perturbed with the growing encroachment upon private matters by the press and the consequential public fascination with sensationalism, Warren and Brandeis’ social observations could well have been made today:

Of the desirability--indeed of the necessity--of some such protection, there can, it is believed, be no doubt. The press is overstepping in every direction the obvious bounds of propriety and of decency. Gossip is no longer the resource of the idle and of the vicious, but has become a trade, which is pursued with industry as well as effrontery. To satisfy a prurient taste the details of sexual relations are spread broadcast in the columns of the daily papers. To occupy the indolent, column upon column is filled with idle gossip, which can only be procured by intrusion upon the domestic circle. The intensity and complexity of life, attendant upon advancing civilization, have rendered necessary some retreat from the world, and man, under the refining influence of culture, has become more sensitive to publicity, so that solitude and privacy have become more essential to the individual; but modern enterprise and invention have, through invasions upon his privacy, subjected him to mental pain and distress, far greater than could be inflicted by mere bodily injury.²

Although the right of privacy was not immediately embraced by the courts,³ gradually some courts began to accept the notion that individuals are entitled to some legal protection from intrusion upon their private lives and personas. The trend culminated in a pivotal decision by the

¹ See Samuel D. Warren & Louis D. Brandeis, *The Right to Privacy*, 4 Harv. L. Rev. 193, 195 (1890).

² Id. at 196

³ See J. Thomas McCarthy, 1 *Rights of Publicity and Privacy* §6.3(2d ed. 2006); see, e.g., *Roberson v. Rochester Folding Box Co.*, 64 N.E. 442, 451 (N.Y. 1902).

Second Circuit Court of Appeals, wherein the right of publicity was recognized as a distinct species of the right of privacy. In *Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.*, the plaintiff had entered into an exclusive contract with a professional baseball player to place his photograph on trading cards.⁴ The defendant, however, induced the baseball player to allow it to also use his photograph on trading cards, and thereby breach his prior agreement. In defense, the defendant argued that the baseball player had no legally recognized property interest in his image that he could have assigned to the plaintiff, and thus the plaintiff had no legal interest that the defendant could have invaded.⁵ The Court of Appeals disagreed:

We think that in addition to and independent of [a] right of privacy . . . a man has a right in the publicity value of his photograph, i.e., the right to grant the exclusive privilege of publishing his picture. . . . This right might be called a 'right of publicity.' For it is common knowledge that many prominent persons (especially actors and ball-players), far from having their feelings bruised through public exposure of their likenesses, would feel sorely deprived if they no longer received money for authorizing advertisements, popularizing their countenances, displayed in newspapers, magazines, busses, trains and subways. This right of publicity would usually yield them no money unless it could be made the subject of an exclusive grant which barred any other advertiser from using their pictures.⁶

Finally in 1960, Dean Prosser published a seminal article charting the various judicial conceptions of privacy rights, wherein he outlined four categories of judicially recognized privacy interests,⁷ and describing the latter-most interest as the right to protect one's image or likeness from misappropriation.⁸ Thereafter, both the Restatement (Second) of Torts and the Restatement (Third) of Unfair Competition included the right of publicity, enumerating the elements of the cause of action.⁹

Elements and Scope of the Right of Publicity

The right of publicity provides individuals control over the commercial exploitation of their images or personas. "The right of publicity is an intellectual property right of recent origin which has been defined as the inherent right of every human being to control the commercial

⁴ 202 F.2d 866, 867 (2d Cir. 1953)

⁵ Id. at 867.

⁶ Id. at 868. See also Melville B. Nimmer, *The Right of Publicity*, 19 *Law & Contemp. Probs.* 203, 203-04 (1954), available at <http://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=2596&context=lcp> ("Well known personalities...do not seek the 'solitude and privacy' which Brandeis and Warren sought to protect.... However, although the well-known personality does not wish to hide his light under a bushel of privacy, neither does he wish to have his name, photograph, and likeness reproduced and publicized without his consent or without remuneration to him.")

⁷William L. Prosser, *Privacy*, 48 *Cal. L. Rev.* 383, 389 (1960), available at http://www.californialawreview.org/assets/pdfs/misc/prosser_privacy.pdf. Dean Prosser enumerated the following four categories of invasion of privacy: "[i]ntrusion upon the plaintiff's seclusion or solitude, or into his private affairs;" "[p]ublic disclosure of embarrassing private facts about the plaintiff;" "[p]ublicity which places the plaintiff in a false light in the public eye;" and "[a]ppropriation, for the defendant's advantage, of the plaintiff's name or likeness." Id.

⁸ Id. This is the interest the *Haelan* court denominated as the right of publicity, see 202 F.2d at 868.

⁹ See e.g. Restatement (Third) of Unfair Competition § 46 (1995); Restatement (Second) of Torts § 652C (1977).

use of his or her identity. . . . [It] is a creature of state law and its violation gives rise to a cause of action for the commercial tort of unfair competition.”¹⁰

Although the right of publicity is now widely recognized,¹¹ the scope and breadth of the right is still somewhat unsettled. This is due in part to varying, regional privacy customs and values, but the most pervasive issue is that of perceived conflicts between publicity rights and the First Amendment. For obvious reasons, society has a revered interest in promoting the accurate discourse of historic and public events, including the roles of public and private individuals in such events. If individuals were to possess an absolute right to determine when their images or personas could be used or referenced by others in commercial contexts, such as in commercially distributed newspapers or history texts, they could effectively censor public discussion and even historical accounts of actual events.¹² Consequently, the right of publicity is often said to end where the First Amendment begins. “[T]he right of publicity cannot be used to prevent someone’s name or picture in news reporting. It cannot be used to prevent the use of identity in an unauthorized biography. It cannot prevent use of identity in an entertainment parody or satire, such as that of Rich Little or Saturday Night Live.”¹³

At the same time, however, courts have recognized that the right of publicity also serves important social utility functions. The United States Supreme Court has observed that the right of publicity provides important incentives to individuals to invest effort and resources in the development and stylization of personal skills, attributes, and innovations, and to pursue activities and accomplishments of public and popular interest, with the possibility of celebrity, public renown, and commercial reward. See *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562, 573 (1977). “[T]he State’s interest in permitting a right of publicity is in protecting a proprietary interest of the individual in his act to encourage such entertainment....[t]he State’s interest is closely analogous to patent or copyright law, focusing on the right of the individual to reap the reward of his endeavors....”

¹⁰ *ETW Corp. v. Jireh Pub., Inc.*, 332 F. 3d 915, 928 (6th Cir. 2003); see also *Memphis Development Foundation v. Factors Etc., Inc.*, 616 F.2d 956 (6th Cir. 1980) (“[T]he famous have an exclusive legal right during life to control and profit from the commercial use of their name and personality.”)

¹¹ Virtually every state recognizes the right of publicity; in some states it is a right of common law, in others it is a statutory right, and in some states it is both. See J. Thomas *The Rights of Publicity and Privacy* 2d at Sec. 6:3; see also Gregory L. Curtner, Atleen Kaur, and Suzanne L. Wahl, *Show and Tell: Misappropriation of the Right of Publicity*, Counseling Clients in the Entertainment Industry 2011, p. 263 (PLI 29016)

¹² See e.g. *Time, Inc. v. Hill*, 385 U.S. 374 (1967); *Mason v. Jews for Jesus*, No. 06 Civ. 6433(RMB), 2006 WL 3230279 (S.D.N.Y. Nov. 8, 2006); *Nussenzweig v. diCorcia*, 832 N.Y.S.2d 510 (N.Y. App. Div. 1st Dept. 2007) certified question answered, order aff’d, 878 N.E.2d 589 (N.Y. 2007); *Arrington v. New York Times Co.*, 434 N.E.2d 1319 (N.Y. 1982).

¹³ J. Thomas McCarthy, *The Spring 1995 Horace S. Manges Lecture--The Human Persona as Commercial Property: The Right of Publicity*, 19 Colum.-VLA J.L. & Arts 129, 130-31 (1995); see also *Cardtoons, L.C. v. Major League Baseball Players Ass’n*, 95 F.3d 959, 969 (10th Cir. 1996) (“[P]arody trading cards receive full protection under the First Amendment. The cards provide social commentary on public figures, major league baseball players, who are involved in a significant commercial enterprise, major league baseball. While not core political speech... this type of commentary on an important social institution constitutes protected expression.”); *Vinci v. Am. Can Co.*, 591 N.E.2d 793, 794 (Ohio Ct. App. 1990) (per curiam) (permitting unauthorized use of athletes’ personas where “the mention of the athletes’ names within the context of accurate, historical information was incidental to the promotion of the... partnership... [and] reference to the athletes and their accomplishments was purely informational.”)

Accordingly the social value of the right of publicity is held in the same esteem as that afforded to other forms of intellectual property. “[A state’s] decision to protect [a performer’s] right of publicity...rests on more than a desire to compensate the performer for the time and effort invested in his act; the protection provides an economic incentive for him to make the investment required to produce a performance of interest to the public. This same consideration underlies the patent and copyright laws long enforced by this Court.”¹⁴ Similar to authors and inventors, holders of publicity rights can make important contributions to the greater societal good. “[C]elebrities ‘create’ their valuable personas in much the same way that a novelist creates a work of fiction or an inventor a new device. Thus, giving the famous individual a property right in this form of intellectual property has been explained as an incentive to promote future creativity, as a reward for a valuable service to the public, or as a means of preventing unjust enrichment.”¹⁵

Consequently the greatest challenge in delineating the parameters of the right of publicity has been in balancing the right against First Amendment interests.¹⁶ In other fields of intellectual property protection, the courts have developed various judicial tests for balancing rights holder interests as against the right to free expression. In copyright the balance is achieved through the idea/expression dichotomy and the Fair Use doctrine. In trademark, nominative descriptive and non-source designation uses of marks are permitted under the law. Although the tension between the First Amendment and rights holder property interests can be particularly acute where the right of publicity is at issue, the courts have yet to devise uniform, socially efficacious tests for balancing these sometimes competing interests.

Publicity Rights and Competing First Amendment Interests: The Leading Judicial Balancing Tests

Although the Supreme Court made clear in *Zacchini* that First Amendment interests do not eclipse publicity rights, many courts seem reluctant to recognize and protect publicity rights when an unauthorized commercial use of an individual’s image or persona is defended on First Amendment grounds. In the years since the *Zacchini* decision, several courts have tried to construct judicial mechanisms for balancing these rights and interests.

The Rogers Test

One of the first judicial tests for balancing right of publicity and First Amendment interests was set forth by the Court of Appeals for the Second Circuit in *Rogers vs. Grimaldi*. In *Rogers*, the unauthorized use consisted of a reference to movie legend Ginger Rogers in the title

¹⁴ *Zacchini*, 433 U.S. at 576

¹⁵ Melissa B. Jacoby & Diane Leenheer Zimmerman, *Foreclosing on Fame: Exploring the Uncharted Boundaries of the Right of Publicity*, 77 N.Y.U.L. Rev. 1322, 1330 (2002). See also Roberta Rosenthal Kwall, *The Right of Publicity vs. The First Amendment: A Property and Liability Rule Analysis*, 70 Ind. L. J. 47, 74 (1994) (“As a society, we can suffer two general types of harms from the toleration of unauthorized uses of an individual’s persona. One type of harm focuses on the increased potential for consumer deception, and the other focuses on the increased potential for diminished incentives.”)

¹⁶ Of course, parties often also litigate whether an unauthorized use even involves a publicity persona. See e.g. *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1397-99, 1400-01 (9th Cir. 1992) (use of Vanna White’s likeness as a robot in an advertisement for VCRs held to infringe White’s publicity rights).

of the film *Ginger and Fred*. The gist of Rogers's claims was that, even though the film was not about the famous Rogers and Astaire dance team, the phrase *Ginger and Fred* invoked her famous persona when used as the title of a film and therefore traded upon her persona in order to market a work to which she had no connection.¹⁷

In deciding the dispute, the court found that the invocation of Rogers' persona was an instance of artistic expression, in that although the movie was not about Rogers and Astaire, the reference to Rogers in the movie title did have an artistic, expressive connection to the film's subject: a satiric, social commentary on the Hollywood Glamour Age, which Rogers and Astaire often personified. The court determined that the relationship between Rogers' persona and its use in the movie title was akin to that of a parody: the film was about two fictional, and decidedly unglamorous "contemporaries" of the famous Rogers and Astaire dancing team, and was intended as a social commentary on Hollywood and television facades and hypocrisies. Consequently, the Court held the unauthorized use protected by the First Amendment:

In light of the [state's] concern for the protection of free expression, [the court] would not expect [the state] to permit the right of publicity to bar the use of a celebrity's name in a movie title unless the title was "wholly unrelated" to the movie or was "simply a disguised commercial advertisement for the sale of goods or services." Here . . . the title "Ginger and Fred" is clearly related to the content of the movie and is not a disguised advertisement for the sale of goods or services or a collateral commercial product.¹⁸

While the *Rogers* test is frequently invoked by right of publicity defendants, many courts have since come to appreciate that the test is very limited in application and is typically of value only in assessing the marketing objectives or impact of a persona as part of the title of a work, which of course is often a means of advertising the work.¹⁹ "Courts have determined that application of the *Rogers* test makes sense 'in the context of commercial speech when the appropriation of a celebrity likeness creates a false and misleading impression that the celebrity is endorsing a product.'"²⁰

The Comedy III Test

Perhaps the most widely used judicial test for balancing First Amendment/expressive interests against publicity rights is that articulated by the California Supreme Court in *Comedy III Prods., Inc. v. Saderup*.²¹ In *Comedy III*, plaintiffs therein brought suit for infringement of the publicity rights of the Three Stooges, when their exact likenesses were reproduced without permission on T-shirts sold by the defendant.²² In response, defendant argued that he had a

¹⁷ 875 F.2d 994, 1000-01 (2d Cir. 1989)

¹⁸ *Id.* at 1004-0

¹⁹ See Lateef Mtima, *What's Mine is Mine But What's Yours is Ours: IP Imperialism, the Right of Publicity, and Intellectual Property Social Justice in the Digital Information Age*, 15 SMU Sci. & Tech. L. Rev. 323, 363-366 (2012)

²⁰ See *Hart v. Electronic Arts, Inc.*, 808 F. Supp. 2d 757, 788 (D. N.J. 2011) (rev'd on other grds)

²¹ 21 P.3d 797, 58 USPQ2d 1823 (Sup. Ct. Cal. 2001).

²² *Id.* at 801

First Amendment right to engage in his use - in essence, a right to “express himself” by reproducing and disseminating the Three Stooges’ images.²³

In balancing the defendant’s asserted First Amendment claims against the plaintiffs’ publicity rights, the court delineated the social utilities encompassed by the right of publicity, in the context of purportedly expressive but nonetheless unauthorized uses.

What the [plaintiff] possesses is not a right of censorship, but a right to prevent others from misappropriating the economic value generated by the celebrity’s fame through the merchandising of the ‘name, voice, signature, photograph, or likeness’ of the celebrity. . . .When artistic expression takes the form of a literal depiction or imitation of a celebrity for commercial gain, directly trespassing on the right of publicity without adding significant expression beyond that trespass, the state law interest in protecting the fruits of artistic labor outweighs the expressive interests of the imitative artist....We ask, in other words, whether a product containing a celebrity’s likeness is so transformed that it has become primarily the defendant’s own expression rather than the celebrity’s likeness.²⁴

Consequently under the *Comedy III* “transformation test”,²⁵ the unauthorized use of an individual’s image or persona without sufficient transformative contributions or alterations by the user is not afforded First Amendment protection. “This inquiry into whether a work is ‘transformative’ appears to us to be necessarily at the heart of any judicial attempt to square the right of publicity with the First Amendment.”²⁶ Given that the defendant had reproduced exact replicas of the Three Stooges’ likenesses, the court held that the images had been in no way “transformed” and that “the marketability and economic value of [defendant’s] work derives primarily from the fame of the celebrities depicted. While that fact alone does not necessarily mean the work receives no First Amendment protection, we can perceive no transformative elements in [the defendant’s] works that would require such protection.”²⁷

Comedy III Test and Digital Avatars

The *Comedy III* test has become the leading test for balancing First Amendment and publicity rights in an unauthorized expressive work. A particularly volatile area in right of publicity jurisprudence has been litigation involving unauthorized digital avatars (including several important cases involving the rights of athletes). A paradigmatic *Comedy III* digital avatar case is *No Doubt vs. Activision Publishing, Inc.*,²⁸ wherein the California Court of Appeals applied the *Comedy III* test in assessing the unauthorized use of the avatar of the rock

²³ Id. at 802

²⁴ Id. at 808-09

²⁵ The Court derived the test from the copyright Fair Use Doctrine, which permits the unauthorized use of copyrighted works; one issue considered under the Doctrine is the extent to which the unauthorized use builds upon, repurposes, or otherwise “transforms” the copyrighted work.

²⁶ 21 P. 3d at 808

²⁷ Id. at 811

²⁸ 192 Cal. Rptr. 3d 397 (2011)

band No Doubt in a video game.²⁹ The court found that the unauthorized use simply depicted the band “doing what they do” (performing rock music) and thus lacked sufficient expressive transformation to outweigh the band’s publicity rights:

In [the video game] *Band Hero*...no matter what else occurs in the game during the depiction of the No Doubt avatars, the avatars perform rock songs, the same activity by which the band achieved and maintains its fame. Moreover, the avatars perform those songs as literal recreations of the band members. That the avatars can be manipulated to perform at fanciful venues including outer space or to sing songs the real band would object to singing, or that the avatars appear in the context of a videogame that contains many other creative elements, does not transform the avatars into anything other than exact depictions of No Doubt’s members doing exactly what they do as celebrities.³⁰

Keller and Hart: Student Athletes and Unauthorized Digital Avatars

Litigation concerning the rights of student athletes has produced some of the most important unauthorized digital avatar decisions in recent years. In *Keller v. Electronic Arts, Inc.*,³¹ a former quarterback for the Arizona State University and University of Nebraska football teams brought suit against Electronic Arts, which produced the “NCAA Football” video game series. These games offered players the opportunity to simulate matches between various real-world college and university teams. Plaintiff Keller argued that Electronic Arts designed the virtual players in “NCAA Football” to replicate their real-life counterparts, such that “these virtual players are nearly identical to their real-life counterparts: they share the same jersey numbers, have similar physical characteristics and come from the same home state.”³² Consequently plaintiff alleged that the video game series commercially exploited his persona without his authorization and thus constituted an infringement upon his publicity rights. Relying on *Comedy III*, however, EA argued that it had a First Amendment right to utilize plaintiff’s persona in an expressive work, contending that its unauthorized video games were ““protected by the First Amendment inasmuch as [the game] contains significant transformative elements [and/] or that the value of the work does not derive primarily from the [plaintiff’s] fame.”³³

Virtually coterminous with *Keller*, the New Jersey District Court was confronted with essentially identical facts and allegations regarding “NCAA Football” in *Hart v. Electronic Arts, Inc.*³⁴ Once again, Electronic Arts argued that it had a First Amendment right to produce its video games.

²⁹ The band had granted permission for their likenesses to be used in the game but complained that defendant exceeded the agreement and used their likenesses in ways they had not and would never consent to. *Id.* at 400, 402

³⁰ *Id.* at 410-11; cf. *Winter v. DC Comics*, 134 Cal.Rptr.2d 634, 69 P.3d 473, 476 (2003) (application of *Comedy III* test to comic book depictions of rock star personas as half human, half worm creatures in a fantasy tale finds sufficient transformation to warrant First Amendment protection of the unauthorized use.)

³¹ 94 U.S.P.Q. 2d 1130 (N.D. Cal. 2010)

³² 94 U.S.P.Q. 2d at 1132

³³ 94 U.S.P.Q. 2d at 1134

³⁴ 808 F. Supp. 2d 757 (D. N.J. 2011)

The two district courts reached diametrically opposing dispositions of the disputes. Similar to the court in *No Doubt*, the *Keller* court found insufficient transformation of plaintiffs' personas to permit the unauthorized production of "NCAA Football" on First Amendment grounds – the court concluded that the plaintiffs were depicted "doing what they do". In contrast, the *Hart* court extended its *Comedy III* transformation assessment to encompass Electronic Arts' expressive contributions to the video game as a whole, including a game feature that allowed users to alter an athlete's avatar by using "add-ons" designed by EA.³⁵ Consequently, considering EA's total "expressive contributions", the *Hart* court concluded that EA's use was a transformative use "overall" and thus entitled to First Amendment protection.³⁶

On appeal, the potential split between the Third and Ninth Circuits was resolved. In each case, the appellate court ruled in favor of the plaintiff athletes. Moreover, the courts' opinions were consistent with the social utility theory of publicity rights articulated in *Zacchini*.

The Court of Appeals for the Third Circuit rendered its decision first, reversing the New Jersey District Court.³⁷ Among other things, the *Hart* appellate court expressly observed that, similar to other intellectual property rights, the right of publicity "is designed to encourage further development of this property interest."³⁸ Affirming that the *Comedy III* transformation test is the appropriate test for balancing First Amendment and publicity interests within an expressive work, the court held that EA's "Hart avatar" was not a transformative use of Hart's persona, in that "[t]he digital Ryan Hart does what the actual Ryan Hart did while at Rutgers: he plays college football, in digital recreations of college football stadiums, filled with all the trappings of a college football game."³⁹

Moreover, the court rejected the finding of the district court that the inclusion of the "avatar alteration" function in the game provided a sufficient "transformation option" to satisfy the transformation test. The court noted that if this argument were accepted, "video companies could commit the most blatant acts of misappropriation only to absolve themselves by including a feature that allows users to modify the digital likeness."⁴⁰ The *Hart* appellate court also rejected the argument that the game's other "expressive contributions" rendered the work transformative as a whole, holding that "the Transformative Use Test invariably looks[s] to how

³⁵ 808 F. Supp. 2d at 785. Interestingly, the court acknowledged that the fact that the athlete is presented unaltered and in his usual /celebrity setting (i.e., on the football field) is "problematic" for a finding of "transformation", and moreover, "[i]t seems ludicrous to question whether video game consumers enjoy and, as a result, purchase more EA-produced video games as a result of the heightened realism associated with actual players".

³⁶ "Viewed as a whole, there are sufficient elements of EA's own expression found in the game that justify the conclusion that its use of Hart's image is transformative and, therefore, entitled to First Amendment protection.... the *NCAA Football* game contains 'virtual stadiums, athletes, coaches, fans, sound effects, music, and commentary, all of which are created or compiled by the games' designers.'" 808 F. Supp. 2d at 784. As a side issue, the New Jersey district court further determined that in choosing between the *Comedy III* and *Rogers* tests, the *Rogers* test is more appropriate for assessing the marketing use of a persona in the title or advertising of a work, as opposed to the expressive use of a persona in the work itself. 808 F. Supp. 2d at 788. The *Hart* court nonetheless went on to also assess "NCAA Football" under *Rogers*, and determined that it would reach the same conclusion under either test.

³⁷ *Hart v. Electronic Arts, Inc.*, 717 F 3d 141 (3d Cir. 2013)

³⁸ *Id.* at 151

³⁹ *Id.* at 166

⁴⁰ *Id.* at 167-68

the celebrity’s identity is used in or altered by other aspects of a work.”⁴¹ Concluding that the use of Hart’s replicated persona was “central to the core of the game experience”,⁴² the court held that EA’s use did not sufficiently transform Hart’s identity so as to defeat his right of publicity claim.

Shortly thereafter, the Court of Appeals for the Ninth Circuit affirmed the decision of the California District Court in *Keller*, and also held that EA’s avatar use “literally recreates Keller in the very setting in which he has achieved renown.”⁴³ Here too, the court found that the plaintiff’s digital avatar has been placed in the very setting in which the plaintiff achieved fame, and which also provides the basis for the public’s interest in the EA game.⁴⁴ In addition, the Ninth Circuit also found that neither the “avatar alteration” feature nor EA’s expressive contributions to other aspects of the game outweigh this key appeal of “NCAA Football”.⁴⁵

Student Athlete Publicity Rights and Antitrust Law: O’Bannon v. NCAA

The publicity rights of student athletes were a pivotal aspect of the highly publicized class action litigation brought to obtain compensation for student athletes. In *O’Bannon v. National Collegiate Athletic Association*,⁴⁶ plaintiffs brought suit in California district court on behalf of dozens of former college athletes, alleging that certain rules and practices of the National College Athletes Association (“NCAA”) violate the federal antitrust laws. Among other things, plaintiffs alleged that the NCAA member institutions constitute a cartel which restrains competition in two discreet markets: (i) the market for recruitment of “Division I” amateur athletes, in which student athletes “sell” their services and their publicity rights to colleges and universities (the “College Education Market”), and (ii) the market for amateur game recording/television broadcasts and related rights, in which various entities purchase the rights to record and make commercial use of collegiate game footage (the “Group Licensing Market”). Plaintiffs alleged that the NCAA cartel fixes the “prices” for plaintiffs’ services and intellectual property rights, and also precludes and otherwise injures competition in the respective markets.

Based on plaintiff’s allegations and applicable antitrust principles, it was necessary for the court to determine whether the alleged discreet markets did in fact exist, and if so, whether there was impermissible restraint upon competition in these markets. Reviewing the evidence, the court concluded that plaintiffs had established the existence of each alleged market, and consequently addressed the question of injury to competition in the respective markets.

With respect to the College Education Market, the court found that the NCAA member institutions are essentially the only “buyers” to whom plaintiffs are allowed to “sell” their athletic services and accompanying publicity rights, and moreover, through the NCAA rules and practices, the member institutions cooperate to fix the prices that student athletes are paid

⁴¹ Id. at 169

⁴² Id. at 168

⁴³ *Keller v. Elec. Arts* (*In re NCAA Student-Athlete Name & Likeness Licensing Litig.*), 724 F.3d 1268, 1276 (9th Cir. 2013)

⁴⁴ Id. at 1276-77

⁴⁵ Id. at 1277

⁴⁶ No. C 09-3329 CW (N.D.C. 2014)

for same (i.e., the cost of attendance at the college or university). Accordingly the plaintiffs prevailed on their antitrust claims arising in connection with the College Education Market.

With respect to the Group Licensing Market, however, the court held that competition in that market had not been restrained, in that various entities did in fact compete to obtain the rights at issue in that market. In other words, once the student athletes granted these rights to the colleges and universities (pursuant to the transactions undertaken in the College Education Market) the colleges and universities subsequently permitted – indeed, actively encouraged – competition in the Group Licensing Market, among broadcasters and others, for the opportunity to exploit these rights, such as through taping and televising game footage. The court noted that the fact that the student athletes received no compensation in connection with the underlying transfers of their publicity rights might provide a basis for a cause in conversion of their rights, but that was irrelevant as to whether plaintiffs had established antitrust injury in the Group Licensing Market.⁴⁷

Finally, the court structured a remedy for the antitrust injury which it found to occur in the College Education Market. In light of arguments made by the NCAA regarding the need to preserve the amateur nature of collegiate sports, the court ruled that said injury would be appropriately addressed by permitting the NCAA member institutions to (i) cover the full cost of college attendance for their student athletes and (ii) make payments of up to \$5,000 per student per year in to a trust fund for each athlete.

A key underpinning of the court’s holdings in *O’Bannon* was its acknowledgment that in accordance with the decisions in *Hart* and *Keller*, the subject uses of the student athletes’ publicity rights were not protected by the First Amendment under *Comedy Three*. Absent these prior decisions, the California district court would likely have reached a different result, in that the “product” in the College Education Market would be limited to the athletes’ “services” (in playing collegiate sports) for which they are (arguably) compensated with college scholarships and related benefits. As indicated above, other than the finding that the NCAA could permit its members to cover the full costs of student athlete college attendance, the only recovery awarded the plaintiffs was the holding that the NCAA could make the trust payments to student athletes, *which payments were to be derived from the revenues generated from the exploitation of athletes’ publicity rights*.

The Ninth Circuit Overturns the Students’ Right to Compensation

On appeal, the Court of Appeals for the Ninth Circuit upheld the substantive findings of the district court with respect to plaintiff’s antitrust claims. “We conclude that the district court’s decision was largely correct. Although we agree with the Supreme Court and our sister circuits that many of the NCAA’s amateurism rules are likely to be procompetitive, we hold that those rules are not exempt from antitrust scrutiny...”⁴⁸

⁴⁷ That lack of compensation was of course relevant to the court’s finding of price fixing in the College Education Market.

⁴⁸ Case No. 14-16601, D.C. No. 4:09-cv-03329-CW, 9/30/2015, at p. 7, 26-31

Nonetheless, the Court of Appeals reversed the district court's remedy mechanism, as being inconsistent with the NCAA's amateurism policies:

In our judgment...the district court clearly erred in finding it a viable alternative to [the NCAA prohibition on compensation to] allow students to receive...cash payments untethered to their education expenses. [T]he district court identified two procompetitive purposes served by the NCAA's current rules: "preserving the popularity of the NCAA's product by promoting its current understanding of amateurism" and "integrating academics and athletics." ... The question is whether the alternative of allowing students to be paid...compensation [for their publicity rights] unrelated to their education expenses, is "virtually as effective" in preserving amateurism as *not* allowing compensation. ... We cannot agree that a rule permitting schools to pay students pure cash compensation and a rule forbidding them from paying compensation [for publicity rights] are both *equally* effective in promoting amateurism and preserving consumer demand. Both we and the district court agree that the NCAA's amateurism rule has procompetitive benefits. But in finding that paying students cash compensation would promote amateurism as effectively as not paying them, the district court ignored that not paying student-athletes is *precisely what makes them amateurs*.⁴⁹

Thus, notwithstanding its finding that the NCAA amateurism rules are subject to antitrust scrutiny, the court effectively subordinated the plaintiffs' right to an antitrust remedy (for the loss of their ability to "sell" their publicity rights in a competitive market) to the NCAA's amateurism traditions. Put differently, while students are arguably "compensated" for their services in playing college sports (when they are allowed to attend college at no charge) the Ninth Circuit concluded that any further compensation (for the use of their publicity rights) would undermine the NCAA's objective in preserving the amateur nature of collegiate sports. *See also Marshall v. ESPN, Inc.*, 111 F. Supp. 3d 815 (M.D. Tenn. 2015) (dismissing student athlete publicity claims by distinguishing *Zacchini* as inapplicable to performance events organized by someone other than the publicity plaintiff).

Beyond Digital Avatars: Jordan v Jewel Food Stores, Inc.

Not all of the recent, important athlete publicity rights cases involve digital avatars, or for that matter, student athletes. One of the most important recent cases involved one of the world's most famous professional athletes, Michael Jordan. In *Jordan v Jewel Food Stores, Inc.*⁵⁰ the publisher of *Sports Illustrated*, produced a special commemorative issue devoted exclusively to Jordan's career. Defendant Jewel Food Stores was offered free advertising space in the issue in exchange for agreeing to stock the magazine in its stores, wherein Jewel included a full-page ad congratulating Jordan on his induction into the Basketball Hall of Fame. The text of Jewel's ad read:

After six NBA championships, scores of rewritten record books and numerous buzzer beaters, Michael Jordan's elevation in the Basketball Hall of Fame was

⁴⁹ Id. at 56-57

⁵⁰ 743 F.3d 509 (7th Cir. 2014)

never in doubt! Jewel-Osco salutes #23 on his many accomplishments as we honor a fellow Chicagoan who was "just around the corner" for so many years.

In addition, the ad also displayed the Jewel-Osco logo and the supermarket chain's marketing slogan, "Good things are just around the corner," both of which are registered trademarks and were positioned in the middle of the ad, above a photo of a pair of basketball shoes, each bearing Jordan's number "23."

Jordan brought suit asserting, *inter alia*, claims for trademark false endorsement and violation of publicity rights, in response to which Jewel claimed a First Amendment right to produce and disseminate the ad and moved for summary judgment on those grounds. In response to the motion, Jordan argued that Jewel's ad constituted commercial speech and thus was not entitled to First Amendment protection; nonetheless, Jordan conceded that if the ad was not held to be commercial speech, then Jewel's First Amendment defense would prevail. Finding that the ad was not commercial speech, the district court granted Jewel's motion.

On appeal, the Court of Appeals for the Seventh Circuit reversed. The Court began its analysis by noting that it was clear that a finding that the ad is not commercial speech disposes of the dispute.

This is not a public-law case; it's a clash of private rights. Even if Jewel's ad qualifies as noncommercial speech, it's far from clear that Jordan's trademark and right-of-publicity claims fail without further ado....there is no judicial consensus on how to resolve conflicts between intellectual-property rights and free-speech rights; instead, the courts have offered 'a buffet of various legal approaches to [choose] from'....The Supreme Court has not addressed the question, and decisions from the lower courts are a conflicting mix of balancing tests and frameworks borrowed from other areas of free-speech doctrine.⁵¹

In other words, the dispute implicated the various publicity rights/First Amendment balancing tests discussed herein. Given the positions of the parties, however, the Court held it was not necessary to engage in the balancing of these interests.

Jordan's litigating position allows us to sidestep this complexity. The parties have agreed that if Jewel's ad is 'noncommercial speech' in the constitutional sense, then the First Amendment provides a complete defense to all claims in this suit. We're not sure that's right, but for now we simply note the issue and leave it for another day. With that large unsettled question reserved, we move to the task of classifying Jewel's ad as commercial or noncommercial speech for constitutional purposes.⁵²

The Court then concluded that the ad did constitute commercial speech.

⁵¹ Id. at 514

⁵² Id. at 515

The district court held that the ad was fully protected noncommercial speech and entered judgment for Jewel. We reverse. Jewel’s ad...prominently features the ‘Jewel-Osco’ logo and marketing slogan, which are creatively and conspicuously linked to Jordan in the text of the ad’s congratulatory message. Based on its content and context, the ad is properly classified as a form of image advertising aimed at promoting the Jewel-Osco brand. The ad is commercial speech and thus is subject to the laws Jordan invokes here. The substance of Jordan’s case remains untested, however; the district court’s First Amendment ruling halted further consideration of the merits. We remand for further proceedings.⁵³

Sarver v. Chartier: Coming Full Circle to Zacchini?

Although not a case involving the publicity rights of athlete, the recent decision in *Sarver v. Chartier*⁵⁴ portends that right of publicity jurisprudence as a whole has arguably come full circle to the Supreme Court’s analysis in *Zacchini*. In *Sarver*, plaintiff therein was an Army Sergeant who had served as an Explosive Ordnance Disposal technician in Iraq. Sarver was interviewed by a journalist who wrote a magazine article about Sarver’s experiences in Iraq, and who subsequently wrote the screenplay for the film *The Hurt Locker*. Sarver sued the producers of the film, contending that “Will James, the movie’s main character, is based on [Sarver’s] life and experiences, pointing to characteristics of James and events in the movie that allegedly mirror his life story.”⁵⁵

Defendants moved for dismissal of plaintiff’s complaint under California’s “Anti-SLAPP” statute.⁵⁶ The court observed that plaintiff could defeat defendants’ motion if defendants failed to demonstrate that plaintiff’s suit “involves a matter of public concern.”⁵⁷

Interpreting the California Supreme Court’s pronouncements, we have ‘construe[d] ‘public issue or public interest’...broadly in light of the statute’s stated purpose to encourage participation in matters of public importance or consequence.’....The California Court of Appeal for the First District has identified ‘three categories of public issues: (1) statements ‘concern[ing] a person or entity in the public eye’; (2) ‘conduct that could directly affect a large number

⁵³ Id. 511-12. As noted above, the Court acknowledged that the judicial balancing of publicity rights and First Amendment is a complex terrain. See Id. at note 5, citing cases employing the various balancing tests. For cases balancing parties’ competing intellectual property rights, *i.e.*, plaintiff’s publicity rights versus defendant’s copyrights in the same work, see *e.g. Facenda v. NFL Films, Inc.*, 542 F.3d 1007, 1015-18 (3d Cir. 2008); *Ray v. ESPN, Inc.*, 783 F.3d 1140 (8th Cir. 2015).

⁵⁴ 813 F.3d 891 (9th Cir. 2016)

⁵⁵ Id. at 896

⁵⁶ The Anti-SLAPP statute “is designed to discourage suits that ‘masquerade as ordinary lawsuits but are brought to deter common citizens from exercising their political or legal rights or to punish them for doing so.’” “Tracking the language of the statute, we evaluate anti-SLAPP motions in two steps. The defendant must first ‘make a prima facie showing that the plaintiff’s suit arises from an act by the defendant made in connection with a public issue in furtherance of the defendant’s right to free speech under the United States or California Constitution.’....Second, if the defendant has made such showing, we evaluate whether the plaintiff has establish[ed] a reasonable probability that the plaintiff will prevail on his or her . . . claim....Put another way, the plaintiff must demonstrate that the complaint is both legally sufficient and supported by a sufficient prima facie showing of facts to sustain a favorable judgment if the evidence submitted by the plaintiff is credited.” 813 F.3d at 901.

⁵⁷ Id.

of people beyond the direct participants'; (3) 'or a topic of widespread, public interest.'.... California's Court of Appeal for the Third District has explained that "public interest" does not equate with mere curiosity," but instead 'a matter of public interest should be something of concern to a substantial number of people.'.... Further, 'there should be some degree of closeness between the challenged statements and the asserted public interest,' and the 'focus of the speaker's conduct should be the public interest.' Finally, a 'person cannot turn otherwise private information into a matter of public interest simply by communicating it to a large number of people.'⁵⁸

The court had little difficulty finding that given that the film was about the War in Iraq, the suit concerned matters of public concern.⁵⁹

The *Sarver* court then turned to whether plaintiff had met his burden under the statute to "state and substantiate a legally sufficient claim."

First, *The Hurt Locker* is not speech proposing a commercial transaction. Accordingly, our precedents relying on the lesser protection afforded to commercial speech are inapposite. Second...unlike the plaintiffs in *Zacchini*, *Hilton*, and *Keller*, Sarver did not 'make the investment required to produce a performance of interest to the public,'... or invest time and money to build up economic value in a marketable performance or identity.... Rather, Sarver is a private person who lived his life and worked his job. Indeed, while Sarver's life and story may have proven to be of public interest, Sarver has expressly disavowed the notion that he sought to attract public attention to himself. Neither the journalist who initially told Sarver's story nor the movie that brought the story to life stole Sarver's 'entire act' or otherwise exploited the economic value of any performance or persona he had worked to develop. The state has no interest in giving Sarver an economic incentive to live his life as he otherwise would....*The Hurt Locker* is speech that is fully protected by the *First Amendment*, which safeguards the storytellers and artists who take the raw materials of life—including the stories of real individuals, ordinary or extraordinary—and transform them into art, be it articles, books, movies, or plays.⁶⁰

In short, whereas defendants have an important First Amendment interest in the producing *The Hurt Locker*, Sarver has little to no publicity rights at issue in the work, and thus the balance weighed in favor of permitting any attendant use of his persona therein.⁶¹

⁵⁸ Id. at 901-02

⁵⁹ Although Sarver argued that the film was about his *personal* role in the War, and thus not a matter of public concern, the Court disagreed, finding that the film was about Sarver's *occupation in the War as a military demolition expert*.

⁶⁰ Id. at 905

⁶¹ As the Court noted, however, if the work had constituted commercial speech such as an advertisement, it would not be afforded the kind of First Amendment consideration that can outweigh publicity interests. *See e.g. Yeager vs. AT&T Mobility, LLC*, 104 U.S.P.Q.2d 1165, 2012 WL 3778926 (E.D. Ca. 2012) concerning the unauthorized incorporation of a persona and attendant historical information in an advertisement. Defendant AT&T had issued a press release in connection with its new cell phone emergency signal service, dubbed MACH 1. The press release

Developing Standards for Balancing Publicity Rights and the First Amendment

Just as continuing technological and other developments will raise new issues as to what qualifies as a right of publicity persona, such advances will also present new challenges for balancing publicity rights and the First Amendment. The *Comedy III* test, when properly applied, provides a threshold mechanism for balancing these interests when they conflict in expressive works. Although the *Comedy III* test was not central to the disposition of *Sarver*, that case does illustrate the importance of an often overlooked prerequisite to its proper invocation, namely that a court should first confirm and qualify the presence of both publicity and First Amendment rights.⁶² In some cases, careful scrutiny will reveal the absence of any meaningful publicity right or First Amendment interest, in which case there will be no conflict to be resolved.

If a court finds that publicity and First Amendment interests are indeed in conflict in an expressive work, then the *Comedy III* test can be applied to determine how they should be balanced. As elucidated in *No Doubt*, *Keller*, and *Hart* (and presaged in *Jordan*), the purpose of the transformation test is just as its name suggests: *to assess the extent of any expressive transformation of the plaintiff's persona in the work*. Thus, among other things, the test allows a court to scrutinize any expressive embellishments that have been added to plaintiff's persona, in order to determine whether consumer interest in the work is motivated primarily by those embellishments, or rather, is motivated by what is principally a replication (and commercial exploitation) of plaintiff's persona. Moreover, as pronounced by the appellate courts in *Keller* and *Hart*, extending the *Comedy III* expressive assessment to defendant's contributions to the work as a whole can defeat the purpose of the test, making it more an evaluation of the work's eligibility for copyright protection, than a balancing of publicity and expressive interests.⁶³

included the following statements: "Nearly 60 years ago, the legendary test pilot Chuck Yeager broke the sound barrier and achieved Mach 1. Today, Cingular is breaking another kind of barrier with our MACH 1 and MACH 2 mobile command centers, which will enable us to respond rapidly to hurricanes and minimize their impact on our customers." Yeager brought suit for violation of his publicity rights and a jury found in his favor. In support of a JNOV motion, AT&T argued, *inter alia*, that "(1) the press release cannot be characterized as an advertisement under [California's publicity] statute, (2) that AT&T did not knowingly use plaintiff's name for advertising purposes, (3) that plaintiff's name was connected to news or public affairs, and (4) that the press release is shielded by the First Amendment." Rejecting AT&T's contentions, the court held that a use need not strictly qualify as an advertisement to infringe publicity rights, nor was it necessary that the defendant intend its use to be an advertisement per se, particularly where "one purpose of the press release "was to create positive association in consumers' minds." *2-*3. Moreover, notwithstanding the historical accuracy of the Yeager references, the court concluded that the press release constituted commercial speech.

⁶² See e.g. *Davis v. Electronic Arts, Inc.*, 775 F.3d 1172 (9th Cir. 2015) (affirming denial of Anti-SLAPP motion to dismiss publicity claims on similar grounds, and distinguishing between news and reporting uses and artistic uses in balancing First Amendment and publicity interests).

⁶³ For example, it is possible to place a depiction of Fred Astaire dancing in any number of settings, from the desert to the moon, but such uses would still depend principally upon Astaire's celebrity to generate consumer interest and/or commercial value. Despite the presence of these expressive settings, the subject publicity rights would typically outweigh the First Amendment interests. See Mtima, *supra*, *What's Mine is Mine But What's Yours is Ours*, 15 SMU Sci. & Tech. L. Rev. at 384 ("Some courts, however, employ the transformative test to evaluate and weigh the overall expressive quality of the defendant's work, which misconstrues the purpose of the test. While an overall assessment of the defendant's expressive contributions may be relevant to analyzing whether the work is copyrightable, it says little or nothing about the impact of those contributions on the plaintiff's image and concomitant publicity interests.")

Conclusion

Perhaps the best way to approach the problem of balancing publicity rights and the First Amendment is to organize the paradigmatic conflicts into a linear spectrum of jurisprudential social balancing. At one end of the spectrum is the unauthorized use of a persona in commercial speech, such as an advertisement, wherein the expressive message receives only limited First Amendment protection, which would be outweighed by almost any meaningful publicity interest, as illustrated in *Yeager* (and likely *Jordan*). Next on the spectrum is “quasi-commercial” speech combined with significant expressive elements or objectives, such as the movie title in *Rogers*; as discussed above, however, courts should be wary of extending *Rogers* beyond its application to expressive titles of works.⁶⁴ Finally, where the unauthorized persona use is a part of an expressive (albeit commercial) work, the appropriate balancing test would be the *Comedy III* transformation test.⁶⁵ As *Sarver* cautions, however, in applying *Comedy III*, it is critical to first confirm that both publicity rights and First Amendment interests are indeed present and in conflict, before attempting to determine which interest should take priority in a given situation.⁶⁶

With ever advancing capabilities to make expressive use of individual personas, courts will be increasingly confronted with cases of “blended” expressive but unauthorized persona uses, wherein the issue may be less one of an irreconcilable conflict between First Amendment and publicity interests, but rather a question of equitable allocation of the fruits of the commercial activity. In many such cases, the pertinent rights and equities might be properly balanced by permitting the use but allowing the publicity rights holder to share in the attendant commercial rewards,⁶⁷ arguably a result mandated by the Supreme Court in *eBay v.*

⁶⁴ See also *Davis v. Electronic Arts, Inc.*, 775 F.3d at 1179 (holding that the *Rogers* test is designed to prevent consumer confusion and thus does not apply to publicity claims).

⁶⁵ The predominant purpose test is yet another publicity rights/First Amendment balancing test, and one particularly well-suited to assessing such disputes, in that focuses on whether the primary purpose of the work is to capitalize on the plaintiff’s persona, or rather, to make an expressive statement. To date, however, the test has only been adopted in Missouri. See *Doe v. TCI Cablevision*, 110 S.W.3d 363, 374 (Mo.2003).

⁶⁶ Although *Sarver* could be misconstrued as authority for the proposition that a serious First Amendment interest will always outweigh publicity interests, the fact is that in *Sarver*, there was little to no publicity interest being weighed against highly important First Amendment objectives.

⁶⁷ Indeed, even the dissent in the *Keller* appellate decision notes the inequity of a system wherein colleges and universities, coaches, television networks, and others all make millions off the talent and hard work of student athletes, many of whom hail from inner city neighborhoods and rural towns, while the athletes are themselves precluded from sharing in any of these revenues. “The issue of whether this structure is fair to the student athlete is beyond the scope of this appeal, but forms a significant backdrop to the discussion. The NCAA received revenues of \$871.6 million in fiscal year 2011-12, with 81% of the money coming from television and marketing [*59] fees. However, few college athletes will ever receive any professional compensation. The NCAA reports that in 2011, there were 67,887 college football players. Of those, 15,086 were senior players, and only 255 athletes were drafted for a professional team. Thus, only 1.7% of seniors received any subsequent professional economic compensation for their athletic endeavors. NCAA, Estimated Probability of Competing in Athletics Beyond the High School Interscholas-tic Level (2011), available at <http://www.ncaa.org/wps/wcm/connect/public/ncaa/pdfs/2011/2011+probability+of+going+pro>. And participation in college foot-ball players suffered 41,000 injuries, including 23 non-fatal catastrophic injuries and 11 fatalities from indirect catastrophic injuries. NCAA, Football Injuries: Data From the 2004/05 to 2008/09 Seasons, available at <http://www.ncaa.org/wps/wcm/connect/public/ncaa/health+and+safety/sports+injuries/resources/football+injuries>.” 724 F.3d 1289, n.5.

*Mercexchange, L.L.C.*⁶⁸ In this way, all of the relevant social utilities might not only be served, but perhaps even harmonized, toward society's benefit as a whole.

⁶⁸ 547 U.S. 388, 391-92 (2006)